



Kansas Health Policy Authority

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Fact sheet on Deficit Reduction Act requirements for citizenship and identity

New Federal requirements effective July 1st require many Medicaid applicants to provide documentation verifying their citizenship and identity. These requirements have created challenges for beneficiaries and significant additional workload for state eligibility workers. As a result, between 18,000 and 20,000 persons are without coverage, including many who will ultimately succeed in demonstrating their citizenship and identity. KHPA staff have re-engineered enrollment and utilized electronic verification where appropriate, but will not be able to address the new workload without additional resources. KHPA is recommending that Congress revisit the legislation to consider the impact on states and beneficiaries.

What are the new documentation requirements?

- The new Federal laws, effective July 1st, do not change eligibility rules but instead require applicants to provide certain documents verifying that they comply with rules governing citizenship and identity.
 - Citizenship: Medicaid eligibility has long been restricted to American citizens and certain legal immigrants such as refugee.
 - Identity: identity isn't an eligibility requirement, per se, but individuals and parents are required to apply on behalf of themselves and their children. In addition, applicants already must provide social security numbers and documentation of family income.
- The new laws require applicants, including those renewing their eligibility, to document citizenship and identity through one of the following criteria:
 - A *primary* document that verifies both citizenship and identity, such as a passport or certificate of naturalization; or
 - Separate *secondary* documents, one verifying citizenship, such as a birth certificate, and another verifying identity, such as a driver's license or school picture ID.

How have the new federal requirements impacted the enrollment process in Kansas?

- The Kansas Family Medical Clearinghouse, which handles about 85% of applications from children and families, receives about 9,500 applications or renewals each month representing about 35,000 individuals, each required to provide at least one new document.
- The number of customer service calls to the Clearinghouse has more than doubled from 23,000 to 49,000 per month.
- The number of voicemails received has increased tenfold from 1,200 to 11,000 per month.
- The number of faxes received has doubled to 6,000.
- Collecting, matching, and verifying these documents have increased the average amount of time required to complete an application.

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Who is being affected by these new rules?

- The new rules apply to all Medicaid applicants and beneficiaries EXCEPT Medicare beneficiaries and those individuals receiving supplemental security income (SSI).
- The primary impact of the new requirements is on children and families.
- To one extent or another, all Medicaid applicants may be affected.
 - Applicants who are unable to provide the required documentation in a timely manner are denied coverage.
 - Many applicants – especially children and families -- end up in the backlog that has developed since the new requirements were introduced. These applicants may or may not meet the documentation requirements, but in the meantime experience delays in the application process.
 - Children in foster care and adopted children with special needs also must comply. The Department of Social and Rehabilitation Services (SRS) handles these applications and also shares responsibility for family medical applications. Processing time for eligibility staff at SRS field offices has also increased.
 - Disabled applicants who are not qualified for Medicare or SSI must comply with the new requirements, including children receiving home and community-based services, children needing institutional care, and adults applying for medical assistance through the Presumptive Medical Disability process, many of whom have a mental illness.
 - Because the vast majority of seniors age 65 and over receive Medicare, very few elderly are affected.
- At some point, we anticipate hospital emergency rooms and other health care providers will bear some of the costs associated with uninsured applicants – especially for pregnant women who have been unable to enroll in Medicaid.

How has caseload been affected?

- The number of individuals enrolled in Kansas Medicaid or the State Children's Health Insurance Program (SCHIP) has fallen by 18,000-20,000 since the requirements went into effect. Caseload in the two programs combined was 308,994 in June 2006 and 288,101 in October 2006.
- About 4,000 of this drop are individuals whose applications or renewal cases have been closed because they could not provide the newly required documents in a timely fashion.
- Another 14,000 or more are waiting to enroll in the program, or have fallen off the program while waiting to be re-enrolled, as a result of the large backlog of cases the new requirements have created.
- Many of those waiting to be enrolled are eligible citizens. Based on historical averages, the majority of children and families with pending applications will qualify for coverage under the new requirements when we are able to complete processing.

What is the impact on beneficiaries?

- Significantly increased time and other costs of applying for Medicaid benefits have affected beneficiaries. Although Kansas has made arrangements to "match" electronically with state birth certificate records, many applicants who were born out of state report the need to purchase and wait for their birth records to be sent.
- Those denied coverage or who are waiting for their applications to be reviewed may experience increased out-of-pocket health costs and reduced access to service.
 - Research clearly indicates that the uninsured have a harder time accessing health care services than those with Medicaid coverage.
 - Those who are uninsured as a result of the new laws may be required to purchase medical services using grocery money or other scarce resources.

What are the budgetary costs of the new requirements for the state of Kansas?

- In order to meet the new administrative burdens and mitigate the resulting impact on applicants, the KHPA is requesting an additional \$1 million in funding for FY 2007 and FY 2008 for the operation of its enrollment clearinghouse.

- These funds will be used by the enrollment contractor to hire 17 new contract staff to work through the backlog of pending applications, reduce waiting times and return eligible applicants to the program.
- KHPA is also requesting to hire an additional 4 state staff in FY 2007 and FY 2008 to address additional volume-related issues at the Clearinghouse, not related to the new citizenship requirements.

What measures are being taken to reduce the impact on beneficiaries?

- Resources at the Clearinghouse have been reallocated and enrollment processing has been adjusted to accommodate the new documentation requirements
- KHPA is utilizing approved and reliable electronic sources of documentation
- KHPA will also be calling on our Congressional delegation to provide an update on the impact of these new laws, to suggest policy alternatives, and to recommend a Congressional review of the legislation.

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